

Spring 2009

Message from the DVRC President

Welcome to the Spring 2009 DVRC Newsletter!

We've been thrown some curve balls haven't we?

The economy... **The real estate market...** colleagues being "downsized"...

So have you decided what you are going to do about it? We have two choices...to allow the tide to sweep us away in a flurry of complaints and pessimism; or we can listen to Mahatma Gandhi and "be the change we wish to see in the world." I'd like to share one of the most important leadership & communication philosophies...

The Sandcastle Principle

By Steven Gaffney

As I was running, I noticed some children diligently building an enormous sandcastle with a bit of help from their parents. The children were clearly having great fun. I surmised the whole project had taken hours. Later that day, I returned to the beach to watch the sunset and I realized that the grand sandcastle was gone. No sign of it remained. The tide had washed away all the children's hard work.

The next day, I went for another run. Again I saw the same children playing in the sand. They were laughing and seemed to be having just as much fun as the day before. There was no mention that their great sandcastle was gone. No tears of sorrow that all their hard work was washed away. No complaining about how life could treat them this way. No moping around or bellyaching about how great yesterday was. Then it dawned on me how these children could teach us all something — a very important life principle. I call it the Sandcastle Principle.

As adults, we work so hard each day, investing our time, effort, and creativity in many projects and priorities — some of which remain and some of which get washed away. But the truth is that what lingers long after the priorities and goals are or are not achieved are the memories we have of our interactions with others; hence the Sandcastle Principle.

Think about it. In today's work world, we are seeing that money and employment can come and go. Fortunes may be lost, businesses may be shuttered, but what will never be lost is our legacy and the impressions we leave with others. I'm sure if you thought about it, you could tell me who your best teacher, boss, or mentor was. I am sure you might even be able to tell me who saw things in you that you did not even see in yourself; or you could name someone who gave you a break when no one else would.

For that reason, I have two questions for you: Who are you building sandcastles with? What memories are you creating and what impressions are you leaving behind?

The Shocking Reality

Unfortunately, if we look at our lives and the way we spend our time, most of us would discover that we spend too much of our time with people who waste our time. These people come in many forms. Some are self-righteous and not open to accepting other points of view. Some are pessimists, some are complainers, and some are bellyachers. Some are the people who love to point out why something can't be done but don't offer any solutions of what could be done. Some are the ones who ask us for advice but don't use it. All are Time Wasters.

It is easy to fall prey to these Time Wasters, especially when we enjoy helping people and want to make a difference. But in the end it is always a frustrating and draining experience. Oddly enough, we often expend a lot of effort on Time Wasters, even to the detriment of the time we spend with people who really nurture, replenish, and enhance our lives—the Life Enhancers. In fact, we often are willing to make withdrawals from the bank of time that we spend with these Life Enhancers and deposit it in the Time Wasters.

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Delaware Valley Relocation Council



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To make matters worse, the Time Wasters may leave us so emotionally exhausted that we have less to give of ourselves—less patience, less guidance, less support, and less happiness – to our Life Enhancers. Our exhaustion and frustration with our Time Wasters may even lead us to be short-tempered or rude to our friends and loved ones. It's a trap most of us have fallen into at one time or another.

The Great Switch Multiplier

What if we reversed this tendency and took time from the Time Wasters and invested it in the Life Enhancers? What if we invested that time by focusing on mentoring, coaching, and advising people who want and will do something with our wisdom, advice, and counsel? Besides feeling more gratified and satisfied, we would probably produce more results. Why? Because as the most effective leaders and managers know, if we invest in the Life Enhancers, they will pay it forward. What we give to them is multiplied because as they grow, they reach out and invest in

the lives of other Life Enhancers. An investment in a Life Enhancer is like dropping a pebble in a pond — the ripple expands ever outward.

The Most Important Investment

In these perilous economic times, when investments in the financial markets seem risky and uncertain, there are some surefire investments we can make. We can invest in the Life Enhancers. These are the people you want to build your sandcastles with. Some things may be lost during this economic downturn, but much of that can be regained. Time, however, is not one of those commodities. Once it's gone, it's gone. So invest your time wisely.

Here are four immediate actions you can take for profound, long-term impact:

~Distance yourself from the Time Wasters

~Share this article with your Life Enhancers

~Thank them for all that they have contributed to you and to your organization

~Let them know that this year they will be your priority

This is how you can multiply your effect and make a difference in the quality of your life and the lives of others. Implement the Sandcastle Principle and reward your time to the people who are worth your time. Then watch the results multiply in the lives of the people around you!

Have a fabulous Spring!

Regina Coia, CRP
Coldwell Banker Preferred
President
Delaware Valley Relocation Council



Cigna Hosts First 2009 Corporate Roundtable on Topic of Core+Flex Relocation

*By: Anne Cowburn
Senior Account Manager, Countrywide
FSB*

Jackie Mazzone from Cigna hosted the first corporate roundtable for 2009, featuring guest leader, Carol Filippi, from Linde Group in Murray Hill, NJ, who addressed 13 area corporate relocation managers on the topic of “Core + Flex” relocation policies. Carol created the program to accommodate the varied needs of her company's five business lines. After meeting with divisional HR and line management, she conducted an on-line survey to determine the “lowest common denominator” list of relocation benefits – “a core set of relocation benefits that are available to all transferees with additional policies available that can be added, at Management's discretion, to enhance

and customize the policy to fit a particular need (divisional, financial, geographical, etc.)” She defined two core plans and three flex programs from the various wish lists of her business lines. These include five levels of homesale programs ranging from capped cash reimbursement to a full guaranteed buy-out, three levels of COLA, and two levels of loss on sale.

In order to effectively implement and administer such a program, it is critical to understand and be able to articulate for line management the moving patterns and relocation trends of your mobility program. In addition, the program needs to match your company's culture and economics. The administration of the program requires pre-move analysis of the support required for the move, information about the

employee's existing home and equity position and other relocation issues. Carol uses Zillow as a preliminary valuation source when she talks to potential transferees. Finally, crafting a budget for the relocation and discussing this with the business line manager, to determine the policy components for the individual transferee, ensures that a successful plan is put in place.

Participants agreed that this was a valuable session, providing new ideas for discussion and the opportunity to benchmark with other relocation professionals about common challenges. The next corporate-only roundtable will be held in June, details to be announced.





By: Janet Olkowski, SCRP, GMS
Vice President, Consulting Services
Cornerstone Relocation Group

Keeping in line with the theme of the Spring Conference, “Taking Control,” we thought it would be appropriate to address ways that corporations can take control of today’s economic environment by reviewing some key components of US domestic policies. When charting a course on rough waters it’s critically important to review the direction and take control of the wheel, so to speak.

So, which relocation policy components are most vulnerable in times of economic crisis? Clearly home sale! However, when reviewing policy and deciding where to tweak your program it’s important to look at other aspects of your policy as well. For example, eliminating a Guaranteed Buyout might seem like a viable solution to reduce a company’s risk of inventory. But, how does that affect the overall business strategy of your organization? Are you experiencing reluctance to relocate due to an exorbitant loss on sale or a negative equity situation? Are the people you need to recruit in key revenue-generating positions refusing to move because of a weak policy? It’s wise to consider not only the cost of a relocation, but also the potential ROI on that individual move.

To help balance the scales of cost vs. ROI, more companies are moving to tiered policies or cafeteria-style and menu-driven policies. A recent Worldwide ERC survey entitled “Relocation Assistance: Transferred Employees” indicates that over the last two decades the percentage of organizations using a tiered policy approach has risen from 10 percent to 73 percent. This could be one solution to providing a richer policy for more critical roles and a policy with lesser benefits for rolls with a lesser amount of ROI. Another increasing trend is the use of cafeteria-style or

menu-driven policies. This works well when a hiring manager needs a hook for a key hire. He or she has the option of offering a core set of benefits and then having the flexibility to add components as necessary based on need and budget. While only 24 percent of companies are using this type of policy today, this is an increase from 13 percent in 1997.

Other policy issues to consider in tough economic times include:

Home Marketing Assistance – The real path to success is to get the home sold quickly! In today’s environment that typically means a home that is in top condition and priced to sell. That’s not always easy when foreclosure homes are often the competing listings! Companies should consider offering incentives to have transferees participate fully in a home marketing strategy that is recommended by a qualified Realtor and their third party Relocation Counselor. Make sure your policy states that the employee must use a relocation-savvy agent and that they must list within 103 – 105% of the average of two Broker Market Analyses. While the onus for repairs and improvements has traditionally been placed on the transferee in the home marketing stage, consider providing buyer incentives or an allowance to the transferee to be sure the home is in marketable condition. The amount of money spent up front will more than likely be far less than the amount of expenses on an inventory home or extended temporary living or duplicate housing.

Loss-on-Sale – With the depressed real estate markets of late, it’s no secret that transferees are experiencing loss-on-sale. In 2008, 95 percent of companies reported that slow housing appreciation and depressed real estate markets were the primary reason for reluctance to relocate. To address this situation, many companies have added loss-on-sale policies. Furthermore, some companies that have already had such policies in place have either increased or eliminated the maximum dollar amounts allowed. To balance the need for cost containment while attracting talent,

many companies will only pay a portion of the loss on sale and/or do not include capital improvements in the calculation of the loss. After all, capital improvements would be reflected in the value being paid for the home (whether a guaranteed buyout or an independent sale).

Duplicate Housing – According to Worldwide ERC’s 2009 Relocation Assistance: Transferred Employees Survey, more than half of companies (56 percent) provide assistance to transferees who have two housing payments as a result of purchasing in the new location prior to selling their homes in the old location. As homes linger on the market, companies are experiencing exceptions with this policy component more often. Historically, companies have limited the duration of time covered for duplicate housing payments to approximately 2 months. The latest survey data, however, indicates that the average number of days covered averages 86 days—an indication that home marketing times are increasing.

Temporary Living – Even if a transferee does not purchase in the new location, costs can be negatively impacted through extended temporary living stays. While the family remains in the departure location, the employee is working in the new location and staying in temporary housing. Not only are exceptions occurring in this area for extended stays, but costs for return trips home and the cost of a non-productive employee due to the distractions of a distant home life need to be taken into consideration.

While on the surface it seems that each of these policy components will only add costs to your program, think strategically and take other things into consideration, such as how you and your relocation management company manage the supply chain. Are you using qualified appraisers who understand

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Economic Update

By Anne Cowburn, Countrywide

I attended Jeff Otteau's seminar in Edison, NJ on April 6 and thought you might appreciate having an update on his presentation to us last spring.

Certainly the state of housing which represents 70% of the U.S. economy is worse than a year ago with the rate of decline increasing to 1% per month which has continued to dampen business prospects and relocation activity. Home prices are on a trajectory to "over-correct" for affordability, having now reached 2003 price points and still moving lower, with severity highest in areas of highest cost and greatest economic distress.

All of the indicators for purchasing now are very strong—low prices and low interest rates—but concerns about job security keep many from acting. Mr. Otteau noted that Challenger, Grey and Christmas, a well-known consulting firm involved in employee severance, has reported a lessening of activity for the first time in 6 months.

This glimmer of light at the end of the tunnel along with improved financial accounting standards and government intervention are signposts for optimism.

Refinancing

By Anne Cowburn, Countrywide

The New Year is an ideal time to assess your current home loan and decide if it's time for a change. For instance, consider the financial goals below and see how certain refinancing options could help achieve them.

GOAL: MORE MONEY IN THE MONTHLY BUDGET

A lower home loan payment can help free up your budget, giving you more cash on hand to pay for other needs. If rates have gone down or your credit score has gone up since you took out your mortgage, then you may be able to refinance into better terms. You could also consider a longer-term loan, like a 40-year mortgage, that offers low payments by spreading your principal over a longer period.

GOAL: PAY OFF THE MORTGAGE FASTER

Maybe you want to pay off your mortgage by a certain date or event, such as retirement. A shorter-term mortgage could be the answer—and could potentially save you thousands of dollars in interest over the life of your loan. With a 15 or 20-year home loan, for instance, you'll likely have a higher monthly payment, but more of your money will go

toward the principal. You may also enjoy a lower interest rate than with a typical 30-year loan.

GOAL: THE STABILITY OF A FIXED RATE AND FIXED PAYMENT

If you have an adjustable mortgage and worry that rates may go up, you may want to consider refinancing into a fixed-rate loan. A fixed-rate loan gives you the stability of knowing what your rate and monthly payment are for the life of the loan.

GOAL: CONSOLIDATE DEBT

By combining high-interest credit card debt and other loans into a single, low monthly payment, you could potentially realize significant interest savings over time while lowering your total monthly bills. Refinancing could allow you to do this by accessing your home's available equity. The interest paid on your new mortgage loan is usually tax-deductible, too, something credit cards can't offer.

CALCULATE IT

Want to get a better idea of how a new loan might impact your financial picture? Simply visit countrywide.com/calculators.



Pennsylvania Mechanic's Lien

By: John F. McGowan

A recent change in Pennsylvania law, combined with an increase in title insurance claims, has led many title insurance underwriters to refuse to insure buyers against mechanic's liens.

A mechanic's lien may arise on new construction when a builder uses a subcontractor to provide material or labor in the completion of the home. If the builder fails to pay that subcontractor, the law allows the subcontractor to retroactively (up to 6 months) place a lien on the home. This lien can be reduced to a judgment and executed against the buyer's property, in a manner similar to mortgage foreclosure.


Ultimately, the buyer could be forced to pay twice for the same labor and materials, once to the builder and once to the sub-contractor. The buyer might be able to sue and recover from the builder if the builder is solvent and still in existence, but that can be costly and time consuming.

One notable exception is that some title underwriters will allow mechanic's lien title insurance coverage on projects built by financially stable, well funded builders, but only upon a legal indemnification from the builder's parent company. There are a few other, limited circumstances where exceptions are made.

While the result of this is nothing short of outrageous, we are unaware of any lobbying or legislative action under way in Pennsylvania that would reverse this result. It is also important to note that this pertains to Pennsylvania only. Many other states, including New Jersey and Delaware, have consumer protections built into their mechanic's lien laws.



the nuances of relocation? Are the agents you employ providing creative alternatives to marketing homes and proactive suggestions when working with the transferee as well as the relocation management company? Are your Relocation Counselors taking the time to educate transferees on the marketplace and are they savvy enough to deliver the oft-dismal news while remaining empathetic to your employees?

These are just a few tips on taking control, but it's important to review all aspects of your policy and implement creative alternatives to the status quo. These are rough waters and it takes a good captain to realize the danger and adjust his course accordingly. Staying on the straight and narrow path won't work in times like these. In order to ride out the storm, you have to "take control!" 

ANNOUNCEMENTS

On April 27, 2009 Bank of America Mortgage Corporation and Countrywide Home Loans will introduce to the relocation marketplace an integrated corporate lending solution known as Bank of America Home Loans.



DVRC Event Networking and Solicitation Policy

DVRC events are organized to promote the highest of professional standards and to provide a forum for education, the exchange of ideas, and the opportunity to network with fellow industry professionals.

In order to assure that everyone enjoys these benefits, we require our members and guests to refrain from active solicitation of business.

Mission Statement



DVRC is an organization of relocation professionals from corporations and service providers throughout the tri-state area of Delaware, New Jersey and Pennsylvania. DVRC is dedicated to "sharing ideas and creating solutions" through networking that will promote equitable relocation policies and enhance professional relationships.

Our mission is to provide the resources of a premier forum for relocation professionals in the Greater Delaware Valley, to ensure members' success and keep them at the forefront of the relocation industry.

2008 DVRC Board of Directors



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Please submit articles, news, and notices of interest on industry topics for upcoming newsletters via email to info@DVRCOnline.com.
No advertisements please.

E-mail:
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2009 Charity Event



Let's take control of hunger and help fill the gaps on those food items that are infrequently donated to Food Banks. In spite of the generosity of the food industry, certain important foods are often in short supply.

DVRC members can make a difference. We are asking you to donate nutritious, high quality food for our neighbors in need.

Please bring your donated items to the April 21st DVRC Spring Conference – Taking Control!

Here is a list of their Most Needed Items:

- **High-Protein:** meat (ham, spreads, stews, chicken); fish (tuna, salmon, sardines); vegetarian (nuts, seeds, peanut butter and other nut butters, and beans)
- **Dairy:** evaporated and powdered milk; puddings and custards; infant formula (plastic containers only)
- **Fruits & Vegetables:** canned fruit, canned vegetables, 100% fruit and vegetable juices, soups, sauces, and condiments.
- **Breads & Cereals:** breakfast cereals, rice, pasta, and muffin/bread mixes.
- **Household Goods:** (must be kept separate from food donations) diapers, paper products, and cleaning supplies and detergents.

Please Note: Food Bank cannot accept previously opened containers, repackaged and homemade items, products dated 2005 or earlier, perishables (i.e. breads, pies, cakes, produce (fresh or frozen), glass bottles/containers, or aluminum soda cans.

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